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 Attorney for Plaintiff, Chanel, Inc.

UNITED STATES DISTRICT COURT
 FOR THE SOUTHERN DISTRICT OF NEW YORK

| | | |
|-------------------------------------|---|----------------------------------|
| CHANEL, INC., a New York |) | Case No. 07-cv-06057 (NRB) |
| corporation, |) | |
| |) | DECLARATION OF STEPHEN M. |
| Plaintiff, |) | GAFFIGAN IN SUPPORT OF |
| |) | PLAINTIFF'S MEMORANDUM OF |
| v. |) | POINTS AND AUTHORITIES IN |
| |) | SUPPORT OF REQUEST FOR |
| BRIGITTE C. VAUGHN a/k/a |) | DAMAGES |
| BRIGITTE C. SIERAU a/k/a BRIGIT |) | |
| VAUGHN and BIBI, INC., individually |) | |
| and jointly, d/b/a |) | |
| BIBISBLINGBLING.COM d/b/a |) | |
| d/b/a BIBISBLINGBLING, and Does 1- |) | |
| 10, |) | |
| |) | |
| |) | |
| Defendants. |) | |

I, Stephen M. Gaffigan, declare and state as follows:

1. I am an attorney for the Plaintiff Chanel, Inc. ("Chanel"). I am duly authorized and licensed to practice law before all courts in the State of Florida, the Southern and Middle District Courts of Florida, the Eastern District of Michigan, the Eleventh Circuit Court of Appeals, and the Federal Circuit Court of Appeals. I am personally knowledgeable of the matters set forth in this Declaration and, if called upon to do so, I could and would competently testify to the facts in support of Plaintiff's Memorandum of Points and Authorities in Support of Damages against Defendants Brigitte C. Vaughn a/k/a Brigitte C. Sierau a/k/a Brigit Vaughn

("Vaughn") and Bibi, Inc. d/b/a BlibisBlingBling.com d/b/a BibisBlingBling ("Bibi") (collectively the "Bibi Defendants").

2. I am engaged to coordinate Chanel's nationwide anti-counterfeiting efforts. I have been an attorney practicing in Florida for over 13 years. I have extensive litigation experience.

3. On behalf of Chanel, I began working on the investigation leading up to this action in November 2006.

4. On or about December 10, 2006, I sent a cease and desist letter on behalf of Chanel to Defendant Vaughn, via Federal Express, requesting she, among other things, cease all sales of products bearing counterfeits of the Chanel Marks. A true and correct copy of my cease and desist letter dated December 10, 2006 is attached hereto as Composite Exhibit "1."

5. For the Court's convenience, I prepared a comparison summary table with citation to evidence comparing Chanel's trademark Registrations with evidentiary citation demonstrating Defendant's infringement of registered mark. A true and correct copy of the comparison summary table is attached hereto as Exhibit "2."

RE: REQUEST FOR ATTORNEY FEES

6. From November, 2006, through the present, the total hours I have billed Chanel are 25.71 hours at a rate of \$350.00. To date, I have been paid fees in the amount of \$9,000.00. A true and correct copy of the billing summary outline is attached hereto as Exhibit "3."

7. Some hours in this matter were discounted as a professional courtesy.

8. All attorney time incurred in this matter relates to the gathering of investigative information, preparation of documents and pleadings, and other litigation related legal services.

I made every reasonable effort to minimize hours spent on the case, and the fee requested is equal to or below the amount spent on similar past cases

9. My billing rate for intellectual property litigation is \$350.00 per hour, which I believe, is equal to or less than the prevailing rate for intellectual property attorneys in the Southern District of New York where this action was filed. Moreover, upon prior review, my billing rate has been deemed reasonable within this District.

RE: REQUEST FOR COSTS

10. I am one of the attorneys under whose direction these costs were incurred in the investigation and prosecution of this action.

11. To the best of my knowledge and belief, \$305.00 in costs were necessarily incurred by my office in this matter for service of process for the Defendants. A true and correct copy of the process service invoice is attached hereto as Exhibit "4."

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

FURTHER DECLARANT SAYETH NAUGHT.

Dated this 8th day of April 2008.

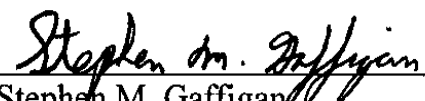

Stephen M. Gaffigan

EXHIBIT 1

LAW OFFICES

STEPHEN M. GAFFIGAN, P.A.

312 Southeast 17th Street
Second Floor
Ft. Lauderdale, Florida 33316
Telephone: (954) 767-4819
Facsimile: (954) 767-4821

December 10, 2006

Via Hand Delivery

Brigitte C. Vaughn, a/k/a
Brigitte C. Sierau d/b/a
Bibisblingbling.com
168 Fairhaven Blvd. #10
Woodbury, New York 11797

Re: Chanel, Inc. v. Brigitte C. Vaughn

Dear Ms. Vaughn:

This firm represents Chanel, Inc. ("Chanel"), which is the owner of all rights in and to the following trademarks:

| <u>Mark</u> | <u>Reg. No.</u> | <u>Reg. Date</u> |
|--------------------|------------------------|-------------------------|
| CHANEL | 0,626,035 | May 1, 1956 |
| CHANEL | 0,901,190 | November 10, 1970 |
| CC Monogram | 1,314,511 | January 15, 1985 |
| CHANEL | 1,347,677 | July 9, 1985 |
| CC Monogram | 1,501,898 | August 30, 1988 |
| CHANEL | 1,733,051 | November 17, 1992 |
| CC Monogram | 1,734,822 | November 24, 1992 |
| CC Monogram | 3,025,934 | December 13, 2005 |

(collectively, the "Chanel Marks"). Chanel has expended a great deal of effort, time, and money developing and promoting the Chanel Marks which have come to symbolize high quality products including, but not limited to handbags and costume jewelry.

Recently, it has come to our client's attention that you have been offering products bearing counterfeit Chanel Marks through at least the online operation known as "bibisblingbling.com."

Brigitte C. Vaughn
December 10, 2006
Page 2

On behalf of Chanel, we demand the following:

1. That you immediately cease and desist any and all further sales of any products bearing the Chanel Marks;
2. That you immediately and voluntarily surrender for destruction, or other disposition, all products and/or packaging in your possession, custody, or control bearing the Chanel Marks, as well as all advertising and promotional material relating thereto;
3. That you provide an accounting of the number of products bearing the Chanel Marks which you have sold, the price charged per item, and copies of all invoices, purchase orders, and shipping documents relating thereto, and any other documents in your possession relating to your sale of products bearing the Chanel Marks;
4. Your written confirmation that any and all ordering of, sale and distribution of products bearing the Chanel Marks has been discontinued and will not resume at any time in the future; and
5. A list of all suppliers and customers of the products bearing the Chanel Marks offered for sale by you.

We demand all information requested above be provided to us within one week from the date this correspondence is delivered to you. We also request you countersign this correspondence where indicated to reflect your promise to cease and desist all further use of the Chanel Marks. Once we receive all of the requested information, we will be in a position to discuss an amicable settlement of this matter with you.

Failure to respond to this correspondence in the time frame outlined above will result in the attached Complaint for Damages and Injunctive Relief being filed against you in the United States District Court, Eastern District of New York, at which time Chanel will pursue every remedy available to it under the law.

Brigitte C. Vaughn
December 10, 2006
Page 3

Nothing in this letter shall be construed as a waiver or relinquishment of any rights or remedies of Chanel.

Very truly yours,

STEPHEN M. GAFFIGAN, P.A.

By: Stephen M. Gaffigan
Stephen M. Gaffigan

VLG/me
Enc.

AGREED TO AND ACCEPTED BY: BRIGITTE C. VAUGHN a/k/a BRIGITTE C. SIERAU
d/b/a BIBISBLINGBLING.COM

Brigitte C. Vaughn a/k/a Brigitte C. Sierau

Dated: _____

EXHIBIT 2

**Comparison of Chanel's Trademark Registrations
with the Defendants' Infringing Goods**

| Trademark | Registration Number | Citation to Registered Trademark | Citation to examples of Defendant's Infringements |
|-------------|---------------------|----------------------------------|---|
| CHANEL | 0,626,035 | Ex. A – Ex. 1 Page 1-2 | Ex. B – Ex. 1 - Page 1 Ex. B – Ex. 5 - Page 1 Ex. B – Ex. 6 - Page 1, 6-7 |
| CHANEL | 0,902,190 | Ex. A – Ex. 1 Page 3-4 | Ex. C – Comp. Ex. 1 Page 2, 7, 15 & 18 |
| CC MONOGRAM | 1,314,511 | Ex. A – Ex. 1 Page 5-6 | Ex. B – Ex. 1 - Page 1 Ex. B – Ex. 5 - Page 1 Ex. B – Ex. 6 - Page 1, 6-7 |
| CHANEL | 1,347,677 | Ex. A – Ex. 1 Page 7-8 | Ex. B – Ex. 1 - Page 1 Ex. B – Ex. 5 - Page 1 Ex. B – Ex. 6 - Page 1, 6-7 |
| CC MONOGRAM | 1,501,898 | Ex. A – Ex. 1 Page 9-10 | Ex. C – Comp. Ex. 1 Page 2, 7, 15 & 18 |
| CHANEL | 1,733,051 | Ex. A – Ex. 1 Page 11-12 | Ex. B – Ex. 1 - Page 1 Ex. B – Ex. 5 - Page 1 Ex. B – Ex. 6 - Page 1, 6-7 |
| CC MONOGRAM | 1,734,822 | Ex. A – Ex. 1 Page 13-14 | Ex. B – Ex. 1 - Page 1 Ex. B – Ex. 5 - Page 1 Ex. B – Ex. 6 - Page 1, 6-7 |
| CC MONOGRAM | 3,025,934 | Ex. A – Ex. 1 Page 15-16 | Ex. B – Ex. 6 – Page 6 |

EXHIBIT 3

**Exhibit "3" to Declaration of Stephen M. Gaffigan
Billing Summary**

**Chanel v. Vaughn
Case No. 07-cv-06057**

| DATE | DETAIL | APPROXIMATE TIME |
|-------------|---|-------------------------|
| 11/06 | Travel to New York; Attend meeting with client and investigators re investigation of Defendant | 2.00 |
| 12/8/06 | Review file; prepare cease and desist letter and draft Complaint; finalize same; | 1.75 |
| 06/07 | Review investigative file; update draft Complaint for filing in New York | .75 |
| 10/07 | Prepare draft default papers | 2.00 |
| 11/07 | Review Defendants' Answer | .50 |
| 12/07 | Preparation of affidavit for pr hac vice admission | .50 |
| 12/07 | Travel to New York; prepare for and attend status conference | 3.50 |
| 1/8/08 | Prepare status report | 1.00 |
| 1/8/08 | Prepare proposed settlement agreement and supporting papers; prepare correspondence to opposing counsel attaching same for review | 2.50 |
| 3/08 | Prepare draft Stipulated Consent Summary Judgment and Permanent Injunction | 2.00 |
| 4/08 | Review file; confer with client; prepare memo outlining statutory damages; prepare supporting Declarations regarding same | 10.00 |

TOTAL:

26.50 hours

EXHIBIT 4



LEGAL SERVICES

www.abcllegal.com

STATEMENT

REMITTANCE MEMO

FEDERAL I.D.# 91-1153514

633 Yesler Way
Seattle, WA 98104

(206) 682-1675 or (206) 623-8771

| | | | |
|----------|----------------|---------|----------------|
| BELLEVUE | (425) 455-0102 | OLYMPIA | (360) 754-6595 |
| EVERETT | (425) 258-4591 | TACOMA | (253) 383-1791 |

WEBSITE www.abcllegal.com

9/30/2007

GAFFIGAN, STEPHEN M (

YOUR ACCT. NO. STMT. DATE

09/30/07

YOUR ACCT. NO.

GAFFIGAN, STEPHEN M (PFI)
312 SE 17TH ST, 2ND FLOOR
FORT LAUDERDALE, FL 33316

PLEASE REMIT TO:

**ABC-LEGAL SERVICES
INC.**

633 Yesler Way
Seattle, Washington 98104

Reprint invoices and proof of services from www.abcllegal.com

| DATE | INVOICE | DESCRIPTION | | | | |
|----------|------------|-------------------|--------|--------|------------|--------|
| 09/05/07 | 4826713-IN | : VAUGHN, BRIGITT | 40.00 | 40.00 | 4826713-IN | 40.00 |
| 09/24/07 | 4836359-IN | : BIBI, INC., IND | 150.00 | 150.00 | 4836359-IN | 150.00 |
| 09/06/07 | 4836360-IN | : VAUGHN, BRIGITT | 75.00 | 75.00 | 4836360-IN | 75.00 |

REDACTED

| | | | | | | |
|----------|------------|-------------------|-------|-------|------------|-------|
| 09/18/07 | 4939351-IN | : BIBI, INC., IND | 40.00 | 40.00 | 4939351-IN | 40.00 |
|----------|------------|-------------------|-------|-------|------------|-------|

| | | | |
|----------|------|------|------|
| 2,079.75 | 0.00 | 0.00 | 0.00 |
|----------|------|------|------|

BALANCE DUE 2,079.75

AMOUNT OF PAYMENT 2,079.75

| | | | |
|-------------------|--------------|--------------|--------------|
| CURRENT | OVER 30 DAYS | OVER 60 DAYS | OVER 90 DAYS |
| STATUS OF ACCOUNT | | | |

TERMS: NET 30 DAYS

Your Finance Charge is computed by a single periodic rate of 1 1/2% per month (minimum charge \$.50) which is an ANNUAL PERCENTAGE OF 18%